
THE HANFORD SITE WORK FORCE RESTRUCTURING PLAN

Part VII - Funding and Measuring Results

FUNDING AND COSTS

Funding sources for 3161 programs and projected costs

MEASURING RESULTS/UPDATING THE PLAN

Requirements, Records, Reports and Evaluation

This page intentionally left blank.

FUNDING AND COSTS

Costs associated with implementing each separation incentive program contained in the Work Force Restructuring Plan has been estimated on an average cost per employee basis. Cost estimates for the voluntary and involuntary reduction of force programs include, as appropriate, estimated costs for separation pay, supplemental training, relocation, and medical benefits.

PROGRAM	AVERAGE COST PER EMPLOYEE
Special Voluntary Retirement (SVRP)	\$ 48,400
Voluntary Reduction of Force (VROF)	\$ 17,000
Involuntary Reduction of Force (IROF)	\$ 21,500
Attrition/Reduction in Temporaries	- 0 -

WHC/BCSR/ICF KH and those BHI employees that transferred to WHC during the ERC transition were offered the SVRP in late 1994. With the implementation of the SVRP, WHC/BCSR/ICF KH reduced its work force by 828 employees in calendar year 1994, and BHI reduced its work force by 16. Costs associated with the enhanced retirement program were projected by WHC's pension actuary, the Wyatt Company. The total number of eligible employees was approximately 1,300. With an actual participation of 844 employees, total costs are estimated to be \$40,831,876.

WHC/BCSR/ICF KH and BHI SPECIAL VOLUNTARY RETIREMENT PROGRAM (SVRP)			
BENEFIT	AVERAGE COST PER EMPLOYEE	ACTUAL NUMBER OF EMPLOYEES	ESTIMATED TOTAL COST
Adding 3 years of service and Flexible 3 years age	\$ 44,115	844	\$37,674,210
\$125 per month Bridge Payment	\$ 4,264		\$ 3,641,456
TOTAL COST	\$ 48,379		\$40,831,876

The projected utilization of the separation programs by the principal contractors is distributed below:

Program	Projected or Actual Participants	Total Program Costs	FY95	
			Program Costs	Salary and Benefits Cost Reduction
SVRP	844	\$ 40.8M	\$ 5.8M ¹	\$ 35.3M
Voluntary ROF	520	\$ 12.6M	\$ 12.6M	\$ 28.3M
Additional Separations	548	\$ 16.1M	TBD ²	TBD ³
Outsourcing	265	\$ 5.7M	\$ 5.7M	TBD ³
Reduction of Temps/Attrition	200	- 0 -	- 0 -	\$ 2.2M
Community Development	N/A	\$ 6.0M	\$ 6.0M	N/A
Supplemental Training	N/A	\$ 1.2M	\$ 1.2M	N/A
TOTAL	~2,500	\$ 82.4M	\$ 31.3M	\$ 65.8M

¹ First year amortized cost for WHC/BCSR/ICF KH and BHI program.

² Annual cost of early retirements will be amortized. Actual cost is based on employee participation in additional separation programs under consideration (SVRP, VROF, IROF), reduction in the use of temporaries, and transition of employees with outsourcing and privatization initiatives.

³ Actual cost reductions to be determined upon decision of schedule for implementation of separation programs.

Additional separations will primarily involve PNL and BHI, and will be accomplished through a variety of programs such as enhanced retirement, VROF, IROF, reductions in the use of temporary employees, and attrition of regular employees. Consequently, a firm budget for additional reductions to occur in 1995 cannot be established until the separation program and the implementation timeline have been determined.

Costs associated with implementing reduction of force initiatives will be offset by projected cost reductions resulting from unexpended salary and benefits costs for the remainder of the year associated with workers who leave the employment rolls.

Supplemental training funds of \$1.2 million have been identified to support the Columbia Basin College Work Force Retraining Center which will be used to enhance its training facilities as part of the Hanford Work Force Restructuring effort. The CBC program will expand classroom space, enhance computer facilities, and provide telecommunications links for worker retraining.

Another \$6,000,000 has been committed by the DOE to fund the Community and Economic Development activities. \$2,100,000 of the total will fund seven community-based proposals which have possibilities to either convert assets or transfer work to the private sector and offer spin-off opportunities for local business to develop or grow. The remaining funding will go to the Hanford "internal" economic transition program, which includes funding for the Hanford contractors. Contractor activities focus on conversion of site assets, subcontracting work currently done on site to private firms, technology acquisition, and technology commercialization.

MEASURING RESULTS/UPDATING THE PLAN

Section 3161 requires the Plan to be updated no later than one year after its initial release and on an annual basis thereafter. The update should reflect any relevant changes in circumstances since the previous edition, and should contain an evaluation of the implementation of the Plan during the year preceding the update. RL will maintain records on the employees' use of the various restructuring activities and the expenditures for those activities, including the amount and source of funding.

HQ GUIDANCE

HQ guidance on updating work force restructuring plans will be applied.

Specifically, the following data will be tracked:

- The number of employees selecting the enhanced retirement program;
- The number of employees selecting a VROF option;
- The number of employees involuntarily separated from employment;
- The number of employees using Internal Employment Training opportunities and the types of training selected;
- The number of employees using External Employment Training and the types of training selected;
- The number of employees using Outplacement Assistance and the number of successful placements;
- The number of employees using extended medical benefits due to voluntary and involuntary separation;
- The number of employees re-employed after selecting the enhanced retirement option;
- The number of construction workers who received termination pay; and
- The number of involuntarily separated employees who were rehired under the preference in hiring clause.

The annual plan evaluation will address:

- The degree to which the Plan objectives have been achieved;
- Evaluation of the Work Force Planning System and its utility in preparing the existing work force pool to meet the needs of the new mission;
- Evaluation of Community Impact Assistance in relation to the transition of the local economy from dependence on federal spending at Hanford to a diversified private base;
- Evaluation of the measurement system itself.

The process of evaluation and monitoring of the Plan will be continuous by RL to ensure that all implementation procedures are as effective as possible.

A cross-section of stakeholders has formed the Stakeholders Review Committee to monitor progress made on the implementation of the plan. The committee will also jointly assess with RL future restructuring plans and make appropriate recommendations to RL on mitigating future impacts on workers and the community. RL will periodically provide update briefings with the stakeholder committee on the progress in implementing the plan.

This page intentionally left blank.